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DIV OF OIL GAS & MINING

m/047/002

Director's Agenda

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January 14, 2005

RELEASE OF BOND, CD #050-00287975; ML 45256-OIL SHALE (SCH)

On May 24, 1995, the Director, jointly with the Division of Oil, Gas & Mining, accepted a bond from Geokinetics, Inc. for mined-land reclamation obligations of the Lessee under Trust Lands mineral lease ML 45256-Oil Shale, (successor mineral lease to ML 24276-A). The bond is in the form of Time CD #050-00287975 issued by First National Bank and is administered by the Division of Oil, Gas & Mining. The initial amount of the bond was reduced to the present amount of \$13,500, as partial reclamation was completed. The mined land disturbances are now completely reclaimed except for one water well located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 2, T14S, R22E, SLB&M. The Trust Lands Administration's grazing permittee, Alameda Corporation, desires to utilize the water well for its livestock operations and has agreed to assume responsibility for use and maintenance of the well. Alameda Corporation has posted a \$10,000 performance bond with the Trust Lands Administration which was accepted on December 17, 2004, for this purpose. Geokinetics, Inc. should, therefore, be released of responsibility for the water well and its bond, CD #050-00287975, should be released.

Upon recommendation of Mr. Blake, the Director released CD #050-00287975 as to Trust Lands Administration. Final release of the bond will be administered by the Division of Oil, Gas & Mining.

METALLIFEROUS MINERALS LEASES APPROVAL

Upon the recommendation of Mr. Stokes, the Director approved the Metalliferous Minerals lease applications listed below at a rental rate of \$1.00 per acre per annum. The production royalty, as provided in the lease form approved by the Director of the Trust Lands Administration, is 8 percent for fissionable minerals and 4 percent for non-fissionable minerals - based on the gross value of the ore. The lands status has been examined utilizing both the plat books and the business system and the lands were found to be open and available. The applications have been checked for completeness, and found to be in proper order. The business system and plat books have been updated to show these lease applications as existing contracts on the lands described below:

ML 49585

K. C. Kane

5503 East Broadway

Spokane, WA 99212

T21S, R15E, SLB&M.Sec. 15: S $\frac{1}{2}$ NW $\frac{1}{4}$

Sec. 16: All

Sec. 19: Lots 3(42.68), 4(43.29), E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ Sec. 20: S $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ EMERY COUNTY

1285.97 Acres

FUND: SCH

ML 49586

K.C. Kane

5503 East Broadway

Spokane, WA 99212

T28S, R23E, SLB&M.

Sec. 16: All

SAN JUAN COUNTY

640.00 Acres

FUND: SCH